

16-16-605 Charging orders for judgment creditor of member or transferee.

- (1) On application by a judgment creditor of a member or transferee, a court may enter a charging order against the financial rights of the judgment debtor for the unsatisfied amount of the judgment. A charging order issued under this Subsection (1) constitutes a lien on the judgment debtor's financial rights and requires the limited cooperative association to pay over to the creditor or receiver, to the extent necessary to satisfy the judgment, any distribution that would otherwise be paid to the judgment debtor.
- (2) To the extent necessary to effectuate the collection of distributions pursuant to a charging order under Subsection (1), the court may:
 - (a) appoint a receiver of the share of the distributions due or to become due to the judgment debtor under the judgment debtor's financial rights, with the power to make all inquiries the judgment debtor might have made; and
 - (b) make all other orders that the circumstances of the case may require to give effect to the charging order.
- (3) Upon a showing that distributions under a charging order will not pay the judgment debt within a reasonable time, the court may foreclose the lien and order the sale of the financial rights. The purchaser at the foreclosure sale obtains only the financial rights that are subject to the charging order, does not thereby become a member, and is subject to Section 16-16-603.
- (4) At any time before a sale pursuant to a foreclosure, a member or transferee whose financial rights are subject to a charging order under Subsection (1) may extinguish the charging order by satisfying the judgment and filing a certified copy of the satisfaction with the court that issued the charging order.
- (5) At any time before sale pursuant to a foreclosure, the limited cooperative association or one or more members whose financial rights are not subject to the charging order may pay to the judgment creditor the full amount due under the judgment and succeed to the rights of the judgment creditor, including the charging order. Unless the organic rules otherwise provide, the association may act under this Subsection (5) only with the consent of all members whose financial rights are not subject to the charging order.
- (6) This chapter does not deprive any member or transferee of the benefit of any exemption laws applicable to the member's or transferee's financial rights.
- (7) This section provides the exclusive remedy by which a judgment creditor of a member or transferee may satisfy the judgment from the member's or transferee's financial rights.

Enacted by Chapter 363, 2008 General Session